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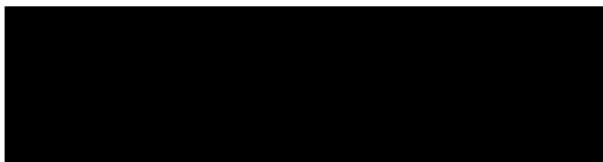
11 April 1963

MEMORANDUM FOR: Chief, Dissemination Control Branch, DD/CR
FROM : Chief, Publications Staff, ORR
SUBJECT : Release of CIA/RR GM 63-2, Brazil, March 1963,
Confidential, to Foreign Governments

1. It is requested that the attached copies of subject report
be forwarded as follows:

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#103



2. All ORR responsibilities as defined in the DDI memorandum of
13 August 1952, "Procedures for Dissemination of Finished Intelligence
to Foreign Governments," as applicable to this report, have been
fulfilled.

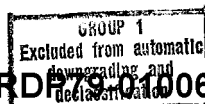


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9 x Attachments

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GEOGRAPHIC INTELLIGENCE MEMORANDUM

CIA/RR GM 63-2
March 1963

BRAZIL



DOCUMENT NO. 1
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF RESEARCH AND REPORTS

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Brazil is the largest and most populous country in Latin America and has the greatest potential for economic development. Even so, the Government of Brazil is faced with rapidly mounting economic and social crises that it has thus far failed to resolve. The country is well endowed with natural resources and has made rapid strides in industrialization. However, the Government has been unable to bring about a more equitable distribution of income, however, and much of the most productive land has suffered serious depletion and erosion through destructive agricultural practices. Attempts to move rapidly toward a more diversified economy have produced numerous socio-economic problems that highlight the need to the need for living between the urban and the rural population and between geographic regions.

Natural Settings

Most of the land area of Brazil lies within the tropics, and the factors of soils, climate, and vegetation that affect the natural productivity of the land are quite different from those that obtain in North America and Europe. Yet the spirit persists that the sparsely populated interior of Brazil is comparable to the interior of the United States and that only the lack of a pioneer spirit prevents large numbers of homesteaders from moving westward into the interior to settle vast areas of productive agricultural land. Actually, large areas of the country have little potential for immediate agricultural use because extensive investments of capital would be needed to develop the land.

Highlands cover almost 60 percent of the country. Most of them are in the central, eastern, and southern parts of Brazil and consist primarily of tablelands and dissected plateaus. To some extent the altitude of these highlands ameliorates the effects of the tropical climate. Low mountain ranges rise above the general surface level in only a few places near the east coast where, historically, they have hindered and still do hamper the development of transportation lines into the interior of the country.

Lowlands and valleys, comprising about 30 percent of the total land area of Brazil, are situated mostly within the Amazon Basin. It is paradoxical that the Amazon, the longest navigable river in the world, provides access to a vast and nearly uninhabited area of dense tropical rain forest. A very narrow discontinuous coastal plain separates the Amazon from the rest of the country. The most fertile and extensive areas of lowland are found in Rio Grande do Sul and in southwestern Mato Grosso.

Reliable data on climate and soils are lacking for much of Brazil, but the natural vegetation closely reflects the physical characteristics and natural productivity of the land. The vegetation falls into three broad categories: forest, savanna, and grassland. Within all these categories of vegetation, only the tropical semideciduous forest, which covers about 10 percent of the land area, was originally covered by only 15 percent of the land) have soils of high natural fertility.

Tropical semideciduous forest originally covered much of southeastern Brazil and extended in a narrow zone along the east coast. Because the soils beneath this type of forest have the highest natural fertility of any in Brazil, most of this zone has been cleared for cultivation or grazing. Almost all production of commercial crops and most production of food crops have been confined to this zone. Wasteful exploitation throughout many years has seriously depleted and eroded the soils, however, and they are not as productive as they once were.

A forest of *Paraná pine* that has a dense understory of yerba maté occurs in those highlands of southern Brazil that lie within the temperate zone. These forests have been exploited for lumber and maté, which is processed as a commercial tea, and more than one-half the area that was originally forested has been cleared by logging. The soils in these highlands are not as good as those of the semideciduous forest zone, but they are relatively fertile. Small farmers who raise food crops that are adapted to a cool climate have settled in many of the cleared areas.

A tropical rain forest covers most of the Amazon Basin and the windward slopes of the Andes. The climate is hot and the heavy rainfall is the result of the trade winds that blow from the east. The rainfall that is received throughout the year produces a luxuriant forest, but the soils that develop under the rain forest are not fertile. Only along the narrow river floodplains, where the soil is rich in silt and sand, is the forest particularly dense. The most of the settlement within the Amazon Basin has occurred along these floodplains.

The second major category of vegetation, the savanna, includes both woodland savanna (*cerrado*) and tropical scrub woodland (*matigals*), which cover most of the interior highlands and which are used primarily for grazing. The *cerrado*, which ranges from the dry forest of the Brazilian highlands to the dry forest of the Amazon basin, is primarily on plateaus that receive heavy rainfall in summer and have a pronounced dry season in winter. The natural conditions are unfavorable for production of a wide range of crops, and the area is used primarily for grazing.

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BRAZIL



The *caatinga* is characteristic of the drought zone of northeastern Brazil. The vegetation ranges from thorn trees, high cactus, low shrubs, and grass in the more humid areas to low thorn trees and spiny succulents in the dry interior. The average annual rainfall in the *caatinga* zone is low (less than 40 inches), seasonal in occurrence, and unreliable. The area experiences both recurrent droughts and disastrous floods, and the resultant erosion that has developed over a long period now tends to intensify the erosion of the soil. In spite of the low level of natural fertility. In spite of the unfavorable environment, a combination of grazing and shifting subsistence agriculture is carried on throughout much of the zone.

Grasslands constitute the natural vegetation of only about 10 percent of the total area of Brazil. Since the land approaches the fertility of the prairie and steppe lands of the United States, and, in general, the Brazilian grasslands are used chiefly for grazing. In southwestern Mato Grosso various kinds of grasses that provide good food for cattle are abundant. In the Amazon basin, a large area of grassland has been established there even though the grazing lands are liable to flooding for several months of the year. A lack of fences allows the cattle to move about freely and escape to high ground during floods. Similar grasslands occur in parts of the lower Amazon basin, particularly in Rio Grande do Sul. These prairies provide good grazing land, but the soils tend to be acidic and poorly drained and are not good for agriculture. The low-lying areas are also subject to periodic flooding. The low brush grasses are of little value for grazing, and the soils are too poor and

Population and Settlement

Brazil's large and rapidly expanding population is distributed very unevenly. In 1960, 90 percent of the population lived within 300 miles of the east coast. Only 4 percent of the population lived in the state of Amapá, and another 1 percent lived in the interior of the country in the states of Goiás and Mato Grosso. The highest population density occurred in the states of Guanabara, Rio de Janeiro, and São Paulo, where a large urban population is concentrated, and in the state of Minas Gerais, where a large rural population concentration constituted a serious problem. (As used in this memorandum, the term "Northeast" includes the eight states that are situated in the bulge of Brazil -- Alagoas, Bahia, Ceará, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and Sergipe.) In 1959, 60 percent of the population of Brazil was estimated to be rural, and 35 percent to be urban and suburban. The population is growing at the rate of slightly more than 3 percent a year.

The population is intermixed racially. Whites constitute about 60 percent of the population; mixed White and Negro or Indian, 26 percent; Negroes, 11 percent; and aboriginal Indians and Asiatics (primarily Japanese), the remaining 3 percent. The Whites -- mostly Portuguese, Italian, Spanish, and German -- predominate in the south, and their relative proportion decreases more or less progressively toward the north.

[illegible]

The mining boom ended at the beginning of the 19th century, and the more successful prospectors moved to the Shoshone Valley and the Platte, where the copper-mining revolution of copper was being introduced. The abolition of slavery appears imminent, and groups of prospectors are flocking to the new fields.

From the copper boom had gone underway, millions of immigrants - mostly Europeans from Italy, Germany, France, and other countries - were flocking to the new fields. The copper boom had ended, and the mining boom was over. The mining boom had ended, and the mining boom was over.

The landowner operated as a business enterprise whereby landowner and tenant were both interested in the success of the enterprise. The landowner was interested in the success of the enterprise, and the tenant was interested in the success of the enterprise. The landowner was interested in the success of the enterprise, and the tenant was interested in the success of the enterprise.

War I, Brazil has been faced with a surplus of copper but with winding profits and declining markets.

Other speculative cycles of more significance revolved around production of cotton in the South, rubber in the Amazon Valley, rice in central Brazil, and gold in the South. During each of the great speculative cycles the land was exploited destructively to the point where the land was no longer profitable.

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